

NEW HAMPSHIRE STATE LIQUOR COMMISSION

MINUTES OF MEETING – JULY 13, 2005

PRESENT: Chairman Anthony Maiola and Commissioners John Byrne and Patricia Russell; Eddie Edwards, Chief of Enforcement; Steven Slovenski, Legal Counsel; Howard Roundy, Director of Information Technology; Evie Taft, Human Resources Administrator; George Tsiopras, Chief Financial Officer; John Laroche, Assistant Director of Store Operations; Richard Gerrish, Spirits Marketing Specialist; Nicole Horton, Wine Marketing Specialist. **Guests:** Al Picconi, United Beverages, Inc.; Michael Goclowski, Law Warehouses.

EXCUSED: John Bunnell, Administrator of Marketing & Sales; Craig Bulkley, Bureau Chief of Administrative Services; Peter Engel, Director of Store Operations.

I. FINANCIAL & ADMINISTRATIVE REPORTS

1. Financial Reports

A. Weekly, Y-T-D Sales Reports:

Sales for the week ending July 10, 2005 were down (\$31,459) or -.40% from the previous year. There was no yearly comparison, as the new fiscal year has just begun.

B. Budget/Administrative Reports:

As the Commission is just starting a new budget, there is no specific activity or problems to note at this time.

Financial Management personnel are currently working on a lot of year-end reports. George hopes to get the financial statements prepared a week earlier than last year. In addition, a group of contracts are being amended, and new snow plow RFP's will soon be going out.

2. IT Report

The IT Plan, which has to be submitted to OIT by next Tuesday, has been sent to the Commissioners for their review.

The multiple offers program should be ready for review by the Marketing department some time next week. There was some discussion regarding problems with multiple offers and sales programs. Commissioner Byrne remarked that there will be a group of "2 for 1" sales being submitted in October.

Howard said some problems have also occurred with items being sold by the pallet. IT staff is working on resolving this.

The Disaster Recovery Plan will be ready for testing in about one week.

Commissioner Byrne referred to absolute problems which occurred in Belmont and a few other stores. Howard said some corrupt data was received Saturday night. This problem was resolved on Monday morning.

3. Human Resources Report

Evie reported that there are several overdue evaluations – one in headquarters, nine from stores, one from Enforcement and one from the warehouse.

II. MARKETING & SALES REPORTS

1. Store Operations: No report given.

2. Purchasing Report: No report given.

3. Merchandising Report

A. SPIRITS:

1) Test Market Products:

a. Test Market Request (Pyrat XO Gold Reserve Rum):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve a request from Martignetti Companies of N.H./Anguilla Rums for a new test market listing for Pyrat XO Gold Reserve Rum, 750ML size (assigned new Code #4317), to be initially distributed to Cluster 1, 2 and 3 stores only, as recommended by Richard Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

b. Test Market Request (Conch Republic Dark & Light Rums):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve a request from United Beverages, Inc./Cruzan, Ltd. for new test market listings for Conch Republic Dark Rum, 1.75L size (assigned new Code #4208) and Conch Republic Light Rum, 1.75L size (assigned new Code #4209), as recommended by Richard Gerrish, Spirits Marketing Specialist and

concurring by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

c. Test Market Request (Ultimate Chocolate/Vanilla Vodka):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve a request from United Beverages, Inc./Adamba Imports for a new test market listing for Ultimate Chocolate/Vanilla Vodka, 750ML size (assigned new Code #207), as recommended by Richard Gerrish, Spirits Marketing Specialist and concurring by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

d. Test Market Request (Tito's Handmade Vodka):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve a request from M.S. Walker, NH/Fifth Generation, Inc. for a new test market listing for Tito's Handmade Vodka, 750ML size (assigned new Code #3505), to be initially distributed to Cluster 1, 2 and 3 stores only, as recommended by Richard Gerrish, Spirits Marketing Specialist and concurring by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

e. Test Market Request (Landy Cognac VS):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve a request from M.S. Walker, NH/Cognac Ferrand for a new test market listing for Landy Cognac VS, 750ML size (assigned new Code #4539), to be initially distributed to Cluster 1, 2, 3 and 4 stores only, as recommended by Richard Gerrish, Spirits Marketing Specialist and concurring by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

2) Mark Down of One-time Buy (Carolan's Irish Cream 4/pack):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve a reduction in price for Code #5210, Carolan's Irish Cream, 4/100, in order to deplete remaining inventory, as recommended by Richard Gerrish, Spirits Marketing Specialist and concurring by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

3) One Time Buy Requests:

a. Stoli Vanil/Kahlua, 50ML bag:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve a request from Horizon Beverage Company/Allied Domecq Spirits & Wine USA for the Commission to make a one-time buy of Stoli Vanil/Kahlua, 50ML size, as recommended by Richard Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

b. Absolut Apeach Vodka, 50ML:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve a request from United Beverages, Inc./Future Brands LLC for the Commission to make a one-time buy of Absolut Apeach Vodka, 50ML size, as recommended by Richard Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

c. Jim Beam Small Batch Bourbons:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve a request from United Beverages, Inc./Future Brands LLC for the Commission to make a one-time buy of Jim Beam Small Batch Bourbons (Knob Creek, Bookers, Baker's and Basil Hayden), as recommended by Richard Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

4) Special Offers for September 2005:

a. 14 unmatched items – M.S. Walker, NH:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve special offers from M.S. Walker, NH, based upon depletions (without matching state funds) for fourteen (14) spirit items, as recommended by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- b. 62 unmatched items – United Beverages, Inc.:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve special offers from United Beverages, Inc., based upon depletions (without matching state funds) for sixty-two (62) spirit items, as recommended by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

B. WINES:

- 1) Primary Source Submissions (2 – primary source; 3 – exclusive agent; 35 – imported):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve the listing of two (2) wine codes which are from primary source, three (3) wine codes which are offered by the exclusive marketing agent, and thirty-five (35) wine codes which are imported, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

III. ENFORCEMENT & LICENSING REPORT – No report given.

IV. CHAIRMAN'S REPORT & LATE ITEMS

- 1. Bailment Requests:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve all previously reviewed requests for bailment releases/transfers dated July 7 through July 13, 2005. The motion was unanimously adopted.

- 2. Coupon Approvals: None.

- 3. Late Items/Other:

Commissioner Maiola thanked both Commissioners Byrne and Russell for their assistance during this morning's Governor and Council breakfast and pre-meeting.

- a. Late Item (Kahlua non-alcoholic tasting):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve request from Horizon

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Beverage Company/Allied Domecq Spirits & Wine USA to conduct Kahlua non-alcoholic in-store samplings in seven selected stores beginning Friday, July 15 through Sunday, August 7, 2005, as recommended by Richard Gerrish, Spirits Marketing Specialist. The motion was unanimously adopted.

Anthony C. Maiola, Chairman

John W. Byrne, Commissioner

Patricia T. Russell, Commissioner

/D. Hartford